

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (2/25):
BUTTER: Grade AA closed at \$0.9500. The weekly average for Grade AA is \$0.9363 (+.0430).

CHEESE: Barrels closed at \$1.1000 and blocks at \$1.1100. The weekly average for barrels is \$1.1000 (+.0040) and blocks, \$1.1063 (-.0017).

NONFAT DRY MILK: Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (N.C.).

BUTTER: Butter markets are unsettled. Producers and handlers are stating that their speculation in the cash trading price level is developing as projected. They feel that the cash butter price level will probably remain firm for the next few trading sessions, at which time they anticipate the trading level will once again weaken. Churning schedules across the country are seasonally quite active. Cream volumes remain readily available to butter operations from both local and out of area sources, although butter producers are less willing to take advantage of the additional offerings at this time. Butter stocks continue to build and are more than double December levels and well ahead of last year at this time. Demand is fair at best.

CHEESE: The cheese market is unsettled to weak. Fully adequate to ample cheese offerings continue to weigh down prices. Buyer interest is typically fair at best. With cheese production generally expected to increase seasonally into spring, buyers have little incentive to build inventories beyond short term needs. Cheese does continue to move into cheddar aging programs. Undergrades and processing solids interest is spotty, often slow, due to the large competing cheese volumes. Cheese production remains seasonally heavy, reflecting milk supplies.

FLUID MILK: Milk production remains strong in most areas of the country. Some of the larger gains are occurring in the Deep South where the flush is beginning. Weather conditions have been quite mild in most areas. In the Midwest, unseasonably mild temperatures are being recorded and most of the snow cover is gone and the frost level is coming out of the ground. In the Southwest, rainfall has occurred in Arizona and California which is having limited negative impact on milk production and quality. If rainy/wet conditions persist, wet conditions could make the coming weeks a challenge for some producers. In many areas of the country, milk volumes are heavy and pushing plant capacity. Most milk handlers are concerned and questioning what will they do when the true flush season is here. The fluid cream prices are higher, but offerings are still more than ample for Class II and IV needs.

DRY PRODUCTS: Nonfat dry milk powder markets are steady with prices unchanged to lower. Offerings of surplus powder continue to clear to CCC. One day during the current week, Midwestern offerings surpassed Western offerings. Some Eastern contacts feel that it may not be too long before some Eastern powder is offered to CCC. Most plants are running at or very near

capacity already. Producers and buyers are keenly aware that the seasonal milk flush is several months away and milk production is already running well above last year's levels. Buttermilk powder markets are generally steady. For the most part, stocks are readily available to heavy for the fair at best buyer interest. Production levels range from steady to increasing as churning activity across the country is strong. Some sellers are willing to match prices to secure sales. Whey markets are basically steady. Domestic demand is steady for regular account needs, while export interest is mixed. Buyers note that heavy production of milk and therefore cheese means that whey availability should remain heavy through the spring flush.

CCC: Net purchases for the week of February 21 - 25, totaled 8,508,526 pounds of nonfortified NDM from the West and Midwest.

COLD STORAGE (NASS, FSA): Cold storage holdings of butter on January 31, 2000, total 79.1 million pounds, 30.1% more than January 1999 and 215.2% heavier than last month. Natural American cheese holdings total 481.1 million pounds, 6.4% higher than last January and 5.0% more than December. Virtually all butter and cheese holdings are held commercially. Nonfat dry milk holdings at the end of December total 219 million pounds, 2.7% less than November, but 45.0% more than December 1998. Of this monthly nonfat total, commercial accounts held 39% while the government held 61%.

PERCENTAGE OF OPERATIONS WITH MILK COWS (ASB, NASS): In 1999, there were 111,200 dairy operation (5.1% less than last year) in the United States. An operation is any place having one or more head of milk cows on hand at any time during the year. Dairy operations with 1-29 head of milk cows account for the 29.8% of the total. This unit is the largest, but only accounts for 2.0% of total milk production. Other units measured and their percentage of the total are: 30-49 head 21.5%, 50-99 head 29.7%, 100-199 head 11.8%, 200-499 head 4.9%, and 500 head plus 2.3%. Dairy operations with 500 head or more, although the smallest of all the groupings, produced the most (33.8%) milk during the year. Milking operations with over 2000 head represent 0.2% of the total, but yielded 9.3% of total milk output.

FEDERAL MILK ORDER MARKET SUMMARY (USDA, AMS): During January, for the 11 consolidated orders, slightly more than 10.2 billion pounds of milk were received from producers. This volume of milk is about 5% higher than the adjusted January 1999 volume. Nearly 4 billion pounds of producer milk were used in Class I products, 1.6% higher than the previous year. The all-market average Class utilization percentages were: Class I - 39%, Class II - 9%, Class III - 40%, and Class IV - 12%. The weighted average statistical uniform price (blend price under old pricing system) was \$11.67 per cwt., \$0.19 less than last month, and \$5.80 less than last year.

*****SPECIALS THIS ISSUE*****

COLD STORAGE HOLDINGS (PAGES 7-8)
 1998 AND 1999 ANNUAL MILK COWS AND MILK PRODUCTION (PAGE 9)
 MARCH FEDERAL MILK ORDER ADVANCE PRICE HIGHLIGHTS (PAGE 10)
 DAIRY OPERATIONS AND MILK PRODUCTION BY SIZE GROUPS (PAGE 11)

TOTAL COW SLAUGHTER UNDER FEDERAL INSPECTION, 1997-1999 (PAGE 12)
 MILK COWS: NUMBER OF OPERATIONS, PERCENT OF INVENTORY, PERCENT
 OF MILK PRODUCTION (PAGE 13)
 FEDERAL MILK ORDER PRICE AND POOL HIGHLIGHTS (PAGE 14)

**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY FEBRUARY 21	TUESDAY FEBRUARY 22	WEDNESDAY FEBRUARY 23	THURSDAY FEBRUARY 24	FRIDAY FEBRUARY 25	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	H	\$1.1000 (N.C.)	\$1.1000 (N.C.)	\$1.1000 (N.C.)	\$1.1000 (N.C.)	N.C.	\$1.1000 (+.0040)
40# BLOCKS	O	\$1.1050 (-.0050)	\$1.1000 (-.0050)	\$1.1100 (+.0100)	\$1.1100 (N.C.)	N.C.	\$1.1063 (-.0017)
NONFAT DRY MILK							
EXTRA GRADE	I	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
GRADE A	D A	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
BUTTER							
GRADE AA	Y	----	\$.9225 (+.0125)	----	\$.9500 (+.0275)	+.0400	\$.9363 (+.0430)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

MONDAY, FEBRUARY 21, 2000 -- NO TRADING

TUESDAY, FEBRUARY 22, 2000

CHEESE -- SALES: 1 CAR BARRELS @ \$1.1000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 4 CARS 40# BLOCKS: 1 @ \$1.1050, 1 @ \$1.1075, 2 @ \$1.1100

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, FEBRUARY 23, 2000

CHEESE -- SALES: 1 CAR BARRELS @ \$1.1000; BIDS UNFILLED: 1 CAR BARRELS @ \$1.0950; OFFERS UNCOVERED: 5 CARS 40# BLOCKS: 1 @ \$1.1000, 1 @ \$1.1025, 2 @ \$1.1050, 1 @ \$1.1100

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 13 CARS: 1 @ \$0.9300, 2 @ \$0.9275, 3 @ \$0.9250, 1 @ \$0.9225, 1 @ \$0.9275, 1 @ \$0.9250, 2 @ \$0.9225, 1 @ \$0.9250, 1 @ \$0.9225; BIDS UNFILLED: 12 CARS: 1 @ \$0.9225, 2 @ \$0.9200, 2 @ \$0.8825, 1 @ \$0.8800, 1 @ \$0.8775, 2 @ \$0.8750, 1 @ \$0.8700, 2 @ \$0.8600; OFFERS UNCOVERED: 1 CAR @ \$1.0000

THURSDAY, FEBRUARY 24, 2000

CHEESE -- SALES: 5 CARS 40# BLOCKS: 1 @ \$1.0950, 1 @ \$1.1000, 2 @ \$1.1050, 1 @ \$1.1100; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.1000; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, FEBRUARY 25, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.0950; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1050, 3 CARS 40# BLOCKS @ \$1.1100

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 7 CARS: 3 @ \$0.9500, 1 @ \$0.9525, 1 @ \$0.9550, 2 @ \$0.9500; BIDS UNFILLED: 12 CARS: 2 @ \$0.9500, 1 @ \$0.9425, 1 @ \$0.9400, 1 @ \$0.9350, 2 @ \$0.9300, 1 @ \$0.9275, 2 @ \$0.9250, 2 @ \$0.9225; OFFERS UNCOVERED: 8 CARS: 1 @ \$0.9525, 1 @ \$0.9550, 1 @ \$0.9600, 2 @ \$0.9900, 3 @ \$1.0000

BUTTER MARKETS**MONTHLY COLD STORAGE**

According to NASS, January month-end cold storage figures for butter total 79.1 million pounds, 215.2% higher than December 1999 and 30.1% more than last January.

NORTHEAST

The market tone remains unsettled. Prices at the CME started increasing last week and, again, contacts are puzzled. Locally, churning activity is heavy. Heavy volumes of Eastern cream are moving to Midwestern churning facilities. Bulk and print offerings are more than ample and building at some operations. Demand for both bulk and print is just fair. Buyers are trying to keep their inventories as current as possible. There doesn't seem to be much storing at this time, but scattered anecdotal reports note that some people/organizations may be storing a little. Bulk movement, when it occurs, is slow and still in the range of 3-5 cents over the CME price/average.

CENTRAL

The butter market tone is firm. Producers and handlers are stating that their opinion on cash trading firmness during the last half of the month is developing. They feel that price firmness will continue for the next 3 - 4 trading sessions after which time weakness will probably again occur. Churning schedules remain

seasonally active. Cream supplies continue to be readily available to Midwestern butter operations from local and out of area sources. Due to cash trading firmness, many producers are less willing to take advantage of the additional cream offerings. Butter stocks are reported to be heavy. Current buying interest for bulk and print butter is fair at best. Most buyers continue to place orders for short term needs. At this time, some buyers indicate that they are holding off placing sizable orders until prices possibly weaken. Bulk butter sales continue, but as for print butter, bulk orders are also slower and range from 1 1/2 - 4 cents over various pricing bases. At these levels, some producers are finding buyer resistance.

WEST

Bulk butter sales are fair at best. Buyers are reporting that their inventory levels are reaching volumes that they consider sufficient at this time. Contacts are wondering what these butter stocks will mean for the possibility of normal fall price increases. Print orders are steady with recent weeks. Little feature activity is noted. More interest is noted from ice cream manufacturers, but most of the discussion is centered around early season planning. Present cream prices are being viewed as very positive by ice cream producers. Churning activity does remain very heavy. Current prices for bulk butter range from 5 cents under to 2 cents under based on the CME with various time frames and averages involved. Butter stocks at CME approved warehouses reached 61.6 million pounds this week.

NASS DAIRY PRODUCT PRICES
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
FEBRUARY 19	1.1029 5,738,575	1.0758 8,364,801	1.0017 17,325,650	0.8764 3,817,559	0.1778 6,514,089

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are mixed. Process is often higher and natural cheddar items are steady to fractionally lower. The market undertone is steady to weak. Cheese output is moderate to heavy. With milk production still growing in most parts of the country, contacts see little tightness of supply in the first six to nine months of the year. Accordingly, many distributors and retailers are not buying too far ahead. Producer stocks are building faster than desired which could further weaken the market undertone as we enter the spring flush. Retail and food service demand is steady.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.1225-1.6125
Cheddar Single Daisies	:	1.1025-1.5625
Cheddar 40# Block	:	1.2475-1.4250
Process 5# Loaf	:	1.3050-1.4675
Process 5# Sliced	:	1.3250-1.5725
Muenster	:	1.3050-1.6075
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled to weak. Product movement is generally fair at best. Some price discounts are still used to stimulate spot activity. The majority of activity is centered on regular accounts with most taking normal seasonal volumes. The problem for many producers is clearing the production from the spot milk supplies and/or the increase in milk volume from year ago levels. Most cutters and processors have extra line time available to fill orders. Current cheese offerings are more than adequate to ample for most regular varieties. Cheese production remains seasonally heavy, reflecting milk supplies. Cheese yields are holding relatively steady. Higher fuel costs have caused trucker surcharges to be added to product shipments and deliveries.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.2600-1.4700
Brick And/Or Muenster 5#	:	1.4300-1.6675
Cheddar 40# Block	:	1.4100-2.1150
Monterey Jack 10#	:	1.5900-2.1150
Blue 5#	:	1.8025-2.0100
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4800-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.1000-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	FEBRUARY 21 - 25, 2000
BARRELS*	:	\$1.0850 - 1.1150 (NOMINAL)
	:	(\$0.0150) (.0150)
40# BLOCKS	:	\$1.0950 - 1.1275 (NOMINAL)
	:	(\$0.0100) (-.0125)

() Change from previous week. * If steel, barrel returned.

WEST

Process cheese prices in the West rebounded slightly this week following trading activity at the CME. Interest in barrels and processing solids has slowed as buyers have good working inventories and they don't think the current strength is justified. Lower quality cheese that would normally be able to move into the market is not able to find a home at this time with the heavy stocks and production. Most of it is having to move into animal feed channels. Blocks are having to be discounted to keep them moving adequately from some locations. U.S. natural American cheese holdings at the end of January total 481.1 million pounds, up 6.4% from last year. Holdings in the Pacific and Mountain regions are 42.1% over last year. U.S. Swiss stocks stand at 9.7 million pounds, down 11.4% from January 1999.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.2500-1.5100
Cheddar 40# Block	:	1.2300-1.3700
Cheddar 10# Cuts	:	1.4100-1.6300
Monterey Jack 10#	:	1.4200-1.5800
Grade A Swiss Cuts 6 - 9#	:	2.1500-2.4000

FOREIGN

Prices on domestic styles and types are fractionally lower with imported reported as unchanged. Stocks range from light to adequate. Demand for imported cheeses is slow to fair and typical for this time of year. For the first half of the WTO year (July-June) EU cheese exports were estimated at 155,800 MT, 46% of the WTO allowable subsidized volumes.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-3.1400	: 1.4525-2.9475*
Gorgonzola	: 3.2400-5.9400	: 2.0075-2.4900*
Parmesan (Italy)	: TFEWR	: 2.8675-3.3725*
Romano (Italy)	: 2.1000-2.5400	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.4675-1.7475*
Romano (Cows Milk)	: -0-	: 2.6300-4.8175*
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggiano (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.3100	: -0-
Swiss Cuts Switzerland	: -0-	: 2.3500-2.5500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
02/21/00	15,179	: 118,480
02/01/00	14,512	: 116,262
CHANGE	667	: 2,218
% CHANGE	5	: 2

FLUID MILK AND CREAM

E A S T

During January, milk production in the 20 major states totaled 12.2 billion pounds, up 4.7% from January 1999. The following are the January to January changes for selected states: Florida -1.8%, New York +1.1%, Vermont +1.8%, Kentucky +3.5%, Pennsylvania +3.1%, Texas +4.4%, and Virginia +5.1%. The base price for Class I milk for March 2000 is \$10.84 per cwt., up 13 cents from February. Class I differentials specific to each county, in the orders, are added to the base price to determine specific Class I prices. The Class II skim milk price for March is \$8.41, down \$.01 from February. Regional Milk Market Administrators announced, for statistical purposes, the January 2000 uniform milk prices. The following are the uniform prices for statistical purposes: Northeast \$12.35, Mideast \$11.62, Southeast \$12.82, Florida \$14.37, and Western New York (a state order) \$12.26 at the base cities/counties in the orders. This week, milk production continues to increase throughout the region. Some of the larger gains are occurring in the Deep South where the flush is beginning. Bottled milk sales are slow to fair in much of the region and surplus milk volumes are growing. Florida handlers continue to ship excess milk out of state to manufacturing plants. This week, an estimated 41 loads were scheduled to move out of state. Further north, milk production is increasing at a slower pace, but surplus volumes are increasing a little more rapidly. The slower Class I milk demand is pushing heavier volumes of surplus to manufacturing plants. The condensed skim market is unchanged. Offerings are heavy and demand slow to fair, at best. With the announcement of the March advanced Class III skim pricing factor at \$6.38, some contacts feel that Class II condensed skim could be quite a bit lower in March. The Class II skim milk price for March is one-cent lower than February and should have virtually no impact on current Class II condensed skim prices. The fluid cream market is a little firmer, but offerings are still more than ample for Class II needs. Ice cream output is starting to increase as fat prices are low and the weather is starting to warm up in more areas of the country. Spot prices are steady to lower. Demand is slow to fair, but improved slightly from past weeks. Cream cheese makers have taken a few extra loads this week, but the volumes of excess cream clearing to local and Midwestern butter plants remain considerable.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.0541-1.1613
DELIVERED EQUIVALENT ATLANTA	-	1.0273-1.1613 M 1.0720-1.1077
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.1613-1.1830

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9900-1.1500
NORTHEAST- CLASS III - SPOT PRICES	- .9000-1.0000

M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
FEBRUARY 18 - 24, 2000	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1999	0

Class I demand is about steady with recent weeks. Some local promotional activity on chocolate milk is stimulating additional milk sales. A total of 14 loads of Wisconsin milk were shipped to Missouri and not included in the shipment total. Milk supplies remain seasonally heavy and well above year ago levels. Surplus milk prices, on a light sampling, are generally in the flat MCP, up to \$1.00 over for locally delivered loads. Reports of lower prices continue to surface with the milk quality often suspect. Changes in cream prices generally just reflect changes in the Chicago Mercantile Exchange cash

butter prices. Ice cream production is seasonal. Increased interest in condensed skim was noted in one market as an alternative for NDM. Manufacturing milk interest is steady at best and typically lighter than year ago levels. Manufacturing plants continue to be operated on the heavier schedules normally associated with a period closer to spring peak levels. Current milk intakes are mostly steady to just slightly higher. Many plant operators are trying to prepare ways to handle the usual expected seasonal increase in milk production. Weekend surplus milk supplies continue to move northward from the mid-tier of states in the region for processing, along with on-going volumes from further south. Unseasonably warm temperatures have caused a significant snow melt to occur and all but drifts to disappear. Fields and farm driveways are soft under heavy equipment as the frost in the ground, if any, comes out.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	FEB 17 - 23	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.00- 41.00	\$ 33.50- 39.00
REPLACEMENT HEIFER CALVES	\$220.00-305.00	\$180.00-235.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	FEB 17 - 23	PREVIOUS YEAR
SLAUGHTER COWS	\$ 32.00- 43.50	\$ 29.00- 41.00

W E S T

Rains over widespread areas of California have affected milk production to generally limited extents to date, but the wet conditions could make the coming weeks a challenge for some producers. A reason the rains are not affecting production more is that producers have put up more free stall barns and covered lots to protect cows. Another factor is that the rains in many areas are not continuous and a day or two of mild, often windy, conditions follow the rains. The decline in production has been welcomed by manufacturing plants. Processors are juggling milk and shipping long distances to find processing space. Hay prices are holding mostly steady in the state with most sales light. Most dairies have adequate supplies for the near future and are waiting for new crop. Rains are affecting new crop production in the Imperial Valley. Milk production in New Mexico is trending higher. Conditions are favorable for continued growth. Milk is able to be processed locally, but the level of increases are having handlers looking for additional processing options. Weather conditions remain favorable. Arizona received limited rainfall over some of the milk producing areas, but no impact was reported. Local milk and components continue to be shipped out of area for processing. Indications are that milk production is increasing at 7 to 10% over last year. Feed conditions remain favorable. Cream prices are holding mostly steady, despite higher butter prices. Supplies of cream are heavy with out of area interest lukewarm. Transportation issues are more intense due to rising fuel costs and the availability of tankers. Milk production remains very heavy in the Pacific Northwest. Weather conditions continue to be favorable. Some contacts are commenting that the weather is about a month ahead of the calendar. They hope this doesn't cause too many problems if temperatures turn cold again before spring. Pastures and grass are growing very well, but remain too wet for any grazing or harvesting. Any herds in the region that are being offered for sale are quickly being acquired by other producers to bolster their own production. The low milk prices are not doing anything to reduce overall output in the short run. Heifer prices remain firm as competition for any offerings is aggressive. Rain/snow is common over much of Utah and feed lots are getting quite muddy. Herd health is beginning to suffer and SCC are increasing slightly. Overall milk output remains very heavy. Some manufacturing plants are hopeful that they will have expansions/modifications on line by the time that the spring flush hits. Hay sales activity is quite slow at this time. Feeder type hay is cleaning up and dairy quality hay is getting hard to find.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 02/24/00 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are unchanged on a weak market. Producers suggest that this is the bottom of the market as government support programs should continue to alleviate heavy supplies. On 2/23/00, Midwest producers actually moved more product to the government than Western producers. Good weather conditions are anticipated to improve milk volumes and encourage steady NDM production. Some school closings increased milk movement to manufacturers. Plants are generally operating at capacity with inventories either in balance to heavy. Multiple load shipments are available at the lower end of the range. Spot sales are light, best into brokerage firms and blend operations. A few high heat trades are being reported for the light to fair demand. Off grade product is plentiful for the light feed interest.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .9900 - 1.0150 MOSTLY: 1.0000 - 1.0100

DRY BUTTERMILK - CENTRAL

Prices are lower on a weak market. Premium label product continues to move at the higher end of the range with most trades occurring between 63-64 cents for the week. Demand is light as plenty of off grade, aged, and buttermilk product compete for dry buttermilk interest. Movement is best on regular commitments and into blend operations. Production is steady and inventories are in balance to instances long. Condensed movement is unchanged on seasonal ice cream production schedules.

BUTTERMILK: .6250 - .7400

DRY WHEY - CENTRAL

Prices are unchanged on a steady market. Interest is light to fair, best into bakery and feed facilities. Some producers do not anticipate any further interest from export markets while others report spot inquiries from Asia. Offers are adequate and production is steady. Inventories are mixed. Some producers are in balance or sold out while others are running somewhat long. Traders are hesitant to buy unless the product definitely has a home. Some less than truck lot loads are clearing above the range. Off grade supplies are adequate with condensed product running tight at some locations.

NONHYGROSCOPIC: .1700 - .1850 MOSTLY: .1700 - .1800

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower on a steady market. Increasing supplies of milk replacer product encouraged some producers to lower their prices. Demand is steady and offers are plentiful. Roller Ground movement is unchanged with regular commitments clearing product the best. Changes in the WPC market are not affecting delactose prices. Inquiries are increasing from meat processing facilities for hot dog demand during baseball season. Delactose movement into feed facilities is generally steady. Barrow, gilt, lean hog, and early weaned pig prices are trending lower. The North Central veal market undertone is steady to slightly firm. **Notice:** Beginning the week of Report 14, the Standard Grade market will no longer be reported due to a lack of participation.

MILK REPLACER: .1300 - .1550
STANDARD: TFEWR
ROLLER GROUND: .1600 - .1825
DELACTOSE (Min. 20% protein): .2600 - .3150

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a steady market. Most plants remain tight or sold out with some operations finding it difficult to meet regular contractual agreements. Spot trades are mostly into feed markets. Inquiries from Mexico as well as domestic candy and snack food operations are being reported. Producers are very selective about making any new contractual agreements. Production is generally steady and offerings are light. Extra Grade product moving into export feed markets is being reported below the average. Off grade product remains difficult to find with prices trading just below the range.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1800 - .2500 MOSTLY: .1950 - .2050

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are mixed on a generally firm market. Domestic movement is good into feed, cheese, and ice cream facilities. Export demand is lighter into nutraceuticals and steady into markets as a replacement for NDM. Some buyers continue to resist the upward price trend and prefer to work off current stocks. Offers are very light. Production is steady and inventories are in balance to tight with some producers reporting that they are oversold. Questions are being raised as to whether resellers own inventories and if they will sell back into the market. Condensed supplies are mixed. Some producer supplies are tight while buyers report offerings 3-8 cents below the average. Off grade product is available at various prices depending on the specifications. Most of this product is clearing well just below the range.

EXTRA GRADE 34% PROTEIN: .4550 - .4850 MOSTLY: .4650 - .4750

NONFAT DRY MILK - WEST

Prices are lower on the bottom end of the low/medium heat price range as a couple of producers lowered prices to move some extra loads. Most sales continue to hover around the \$1.00 to \$1.01 range. Heavy offerings and similar prices in other regions of the country are limiting sales of Western powder into those areas. Most plants are running near capacity to process heavy milk supplies in the region. Very little activity is being reported on the high heat market. Demand is lower than recent weeks. Production is light. During the week of February 14 - 18, CCC net purchases totaled 11.6 million pounds of nonfortified and fortified NDM from Western and Midwestern sources.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9800 - 1.0200 MOSTLY: 1.0000 - 1.0100
HIGH HEAT: 1.0200 - 1.0400

DRY BUTTERMILK - WEST

Prices are mainly steady. The market tone remains weak. Sellers are willing to match prices to secure sales. Demand is lower following a couple of weeks of increased export interest. Buttermilk is available from many sources in the region. There are more reports of condensed buttermilk being dumped due to lack of sales and the lack of dryer time. Stocks remain heavy.

BUTTERMILK: .5500 - .6300 MOSTLY: .6000 - .6100

DRY WHEY - WEST

Prices are somewhat mixed for Western whey powder, but the general trend is lower. Stocks are heavier than desired at more locations. Export sales remain slow. A new tender for the Far East should be announced soon. Contacts speculate that the U.S. may stand a good chance of getting a good portion of the tender, but that prices will probably be quite low. Domestic demand is steady for regular account needs. Buyers note the heavy production of milk and therefore cheese means that whey availability should remain heavy through the spring flush. Production continues to be rated heavier than anticipated.

NONHYGROSCOPIC: .1650 - .1900 MOSTLY: .1700 - .1775

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
February 18	\$1.0077	14,524,980
February 11	\$1.0083	13,744,255

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are unchanged to fractionally lower. The market tone is little changed. However, some contacts feel that it may not be too long before we start seeing Eastern NDM being offered to CCC. Commercial sales are seldom better than fair. Buyers see little reason to build their inventories and are just buying as needed. Traders are looking for large volume deals, but prices and market activity are such that there is little to be gained financially in this year's NDM market. Barring natural influences (droughts and heat waves), powder is expected to be long all year and prices aren't going to move much higher or lower. DEIP bid acceptances are nearing the program allocation total. Those producers supplying exporters' needs are moving powder on a relatively steady basis. Others are clearing stocks as best they can. Producers and buyers are keenly aware that the flush is several months away and milk production is already running well above last year's levels.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0000 - 1.0300 MOSTLY: 1.0000 - 1.0100
HIGH HEAT: 1.0350 - 1.0950 MOSTLY: 1.0400 - 1.0600

DELVD SOUTHEAST:

ALL HEATS: 1.0300 - 1.1150

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

The market tone is unchanged and prices are steady. Production levels range from steady to increasing. Moderate to heavy volumes of excess cream continue to clear to local and Midwestern butter makers. Dry buttermilk stocks are fairly well balanced in the East, but some accumulations are being reported. Price competition from Western and Midwestern producers is having more of an effect on local producers' offering prices, particularly if they want to keep powder moving. Spot demand is just fair. However, as prices hold at these relatively low levels and stocks are expected to be readily available throughout most of the year, some buyers are showing renewed interest.

F.O.B. NORTHEAST: .7000 - .7550
DELVD SOUTHEAST: .6700 - .7650

DRY WHOLE MILK - NATIONAL

Prices and the market tone are mostly unchanged. Production levels are moderate to heavier. More producers are starting to make powder to fill orders under DEIP. Domestic demand is just fair. Producer stocks are quite well balanced.

F.O.B. PRODUCING PLANT: 1.0700 - 1.2500

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1999 THROUGH FEBRUARY 18, 2000
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	85,613	MT (188,742,420 LBS)
CHANGE	--	562	MT (1,238,985 LBS)
WHOLE MILK POWDER	--	9,677	MT (21,333,914 LBS)
PROGRAM ALLOCATION FILLED			
CHEESE	--	1,419	MT (3,128,327 LBS)
CHANGE	--	4	MT (8,818 LBS)
BUTTERFAT	--	4,762	MT (10,498,305 LBS)
CHANGE	--	134	MT (295,403 LBS)

Allocations for the DEIP year beginning July 1, 1999, are: Nonfat dry milk - 76,207 MT; Whole Milk Powder - 2,518 MT; Cheese - 3,190 MT; Butterfat - 25,475 MT. These DEIP allocations are in addition to balances still available from quantities announced on May 13, 1999; 25,177 MT of Nonfat Dry Milk (to be filled in roughly equal quarterly amounts during the GATT-year beginning July 1, 1999), 7,500 MT of dry whole milk, and 1,270 MT of cheese.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices and the market tone are mostly steady. Contacts report little change in market conditions. Production remains heavy. The Eastern market appears to be in slightly better shape than other regions, but spot domestic demand remains lackluster. Producers are trying to maintain pricing at levels that keep product moving. New export interest is fair and existing contracts are clearing some product. Buyers are waiting to see if prices will move before making purchasing decisions.

F.O.B. NORTHEAST:	EXTRA GRADE	.1725 - .1800
	USPH GRADE A	.1850 - .1950
DELVD SOUTHEAST:		.1950 - .2200

ANIMAL FEED WHEY - NORTHEAST

Prices remain too few to report and the market tone is weak. Dry whey production is heavy, but output of off-spec product is slowing. Demand for dry whey by animal feed makers is steady at best.

NOTICE: Because animal feed, dry whey prices have been TFEWR for more than a year, we are discontinuing this price series and animal feed comments will be incorporated into the Eastern whey report. This change will go into effect the week of April 3-7, Report Number 14.

F.O.B. NORTHEAST:	MILK REPLACER	TFEWR
-------------------	---------------	-------

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are moderate to heavy, but producers are cautious about how fast and how large they build their inventories. Comparing this year to last, milk supplies are expected to be readily available and relatively low cost for most of the year. Demand for evaporated milk is mostly for replacement needs.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$21.00 - 33.00
Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Prices continue to edge higher with the market tone remaining firm. Domestic buyers continue to report that casein availability is limited, although for the most part, basic domestic needs are being filled. Deliveries continue to be received although lighter than scheduled. Buyers are indicating that their working inventory levels are lower than many would desire. Buyers and sellers are looking at second quarter contracts and indications are that prices will remain firm to higher.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	1.9000 - 2.1000
ACID:	1.9000 - 2.1500

MONTHLY COLD STORAGE REPORT - TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated.

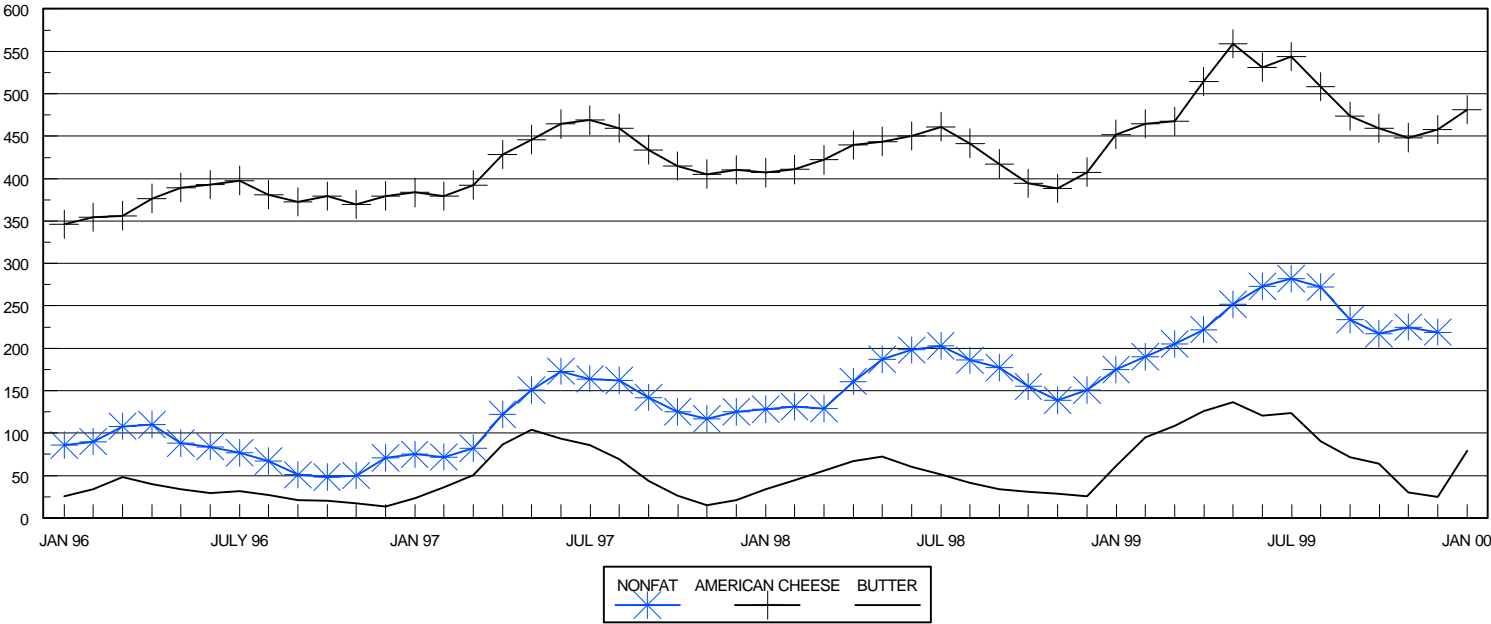
U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	DEC 31, 1997	DEC 31, 1998	REVISED DEC 31, 1999	JAN 31, 1998	JAN 31, 1999	JAN 31, 2000
Cream	---	---	---	---	---	---
Butter	20,788	25,910	25,082	34,166	60,757	79,060
Evap. & Cond. Milk	---	---	---	---	---	---
Cheese, Natural American	410,418	407,692	457,990	406,958	452,205	481,082
Cheese, Swiss	13,843	11,838	8,381	14,380	10,993	9,735
Cheese, Other Natural	56,151	97,685	154,890	87,985	159,239	178,340
U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
Butter	306	4	223	160	247	298
Natural American Cheese	103	120	18	103	30	80

JANUARY COLD STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter			Other Natural Cheese		
	1998	1999	2000	1998	1999	2000*	1998	1999	2000
New England	23,098	22,274	19,893	---	---	---	109	297	588
Middle Atlantic	41,074	42,702	33,628	---	---	---	6,078	6,733	8,813
East North Central	224,859	202,463	229,926	---	---	---	73,103	80,557	99,180
West North Central	64,757	117,499	102,986	---	---	---	3,765	63,605	57,372
South Atlantic	317	807	723	---	---	---	611	597	1,882
East South Central	190	196	0	---	---	---	1,428	286	160
West South Central	231	498	447	---	---	---	94	223	234
Mountain	9,118	11,463	11,751	---	---	---	637	611	297
Pacific	43,314	54,303	81,728	---	---	---	2,160	6,330	9,814
TOTAL	406,958	452,205	481,082	34,166	60,757	79,060	87,985	159,239	178,340

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

COLD STORAGE HOLDINGS 1996 TO DATE
COMBINED GOVERNMENT AND COMMERCIAL

Million Pounds



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 1999 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk					
	Total 1/		Commercial		Government		Total 1/		Commercial		Government		Total 1/ 2/		Commercial		Government 2/	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
	Million Pounds						Million Pounds						Million Pounds					
January	79	61	79	61	3/	3/	481	452	481	452	3/	3/	NA	175	NA	82	NA	93
February		95		95		3/		404		404		3/		190		108		82
March		109		109		3/		406		406		3/		205		123		83
April		126		126		3/		451		451		3/		222		136		86
May		137		136		3/		496		496		3/		252		164		88
June		121		121		3/		539		539		3/		273		158		114
July		124		123		3/		545		545		3/		282		141		141
August		95		95		3/		511		511		3/		272		101		171
September		71		71		3/		475		475		3/		234		87		147
October		64		64		3/		459		459		3/		217		84		133
November		30		30		3/		448		448		3/		225		87		138
December		25		25		3/		458		458		3/		219		86		134

NA = Not available. 1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.

COMMERCIALLY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Dec 31, 1997	Dec 31, 1998	Dec 31, 1999	Jan 31, 1998	Jan 31, 1999	Jan 31, 2000
	Thousand Pounds					
Butter	20,482	25,906	24,859	34,006	60,510	78,762
Natural American Cheese	410,315	407,572	457,972	406,855	452,175	481,002

1/ Total holdings minus Government owned holdings. For more information, see page 7 of this report.

SOURCE: "Cold Storage," Co St 1 (2-00) and "Dairy Products," Da 2-6 (2-00), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

ANNUAL MILK COWS AND MILK PRODUCTION, 1998 AND 1999

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	1998	1999	1998	1999	1998	1999	CHANGE FROM 1998
	1,000 HEAD		POUNDS		MILLION POUNDS		PERCENT
AL	28	27	13,786	13,852	386	374	-3.1
AK	0.9	1.0	15,922	13,580	14.33	13.58	-5.2
AZ	131	134	20,458	21,873	2,680	2,931	9.4
AR	45	42	12,000	12,381	540	520	-3.7
CA	1,420	1,466	19,475	20,788	27,654	30,475	10.2
CO	83	83	20,349	20,819	1,689	1,728	2.3
CT	30	29	17,633	17,931	529	520	-1.7
DE	11	11	14,818	15,545	163	171	4.9
FL	160	158	14,606	15,177	2,337	2,398	2.6
GA	93	89	15,452	16,281	1,437	1,449	0.8
HI	8.9	8.6	14,494	13,919	129	119.7	-7.2
ID	292	318	19,743	20,292	5,765	6,453	11.9
IL	128	123	16,570	16,496	2,121	2,029	-4.3
IN	136	136	16,103	16,066	2,190	2,185	-0.2
IA	222	217	17,167	17,521	3,811	3,802	-0.2
KS	82	86	16,037	16,221	1,315	1,395	6.1
KY	140	133	12,214	12,368	1,710	1,645	-3.8
LA	63	61	11,921	11,656	751	711	-5.3
ME	41	42	16,585	16,500	680	693	1.9
MD	86	85	15,581	16,059	1,340	1,365	1.9
MA	26	25	16,846	16,800	438	420	-4.1
MI	299	299	17,943	18,244	5,365	5,455	1.7
MN	551	545	16,833	17,391	9,275	9,478	2.2
MS	42	38	13,786	14,526	579	552	-4.7
MO	170	159	13,924	13,962	2,367	2,220	-6.2
MT	18	18	16,167	16,833	291	303	4.1
NE	70	74	15,000	15,392	1,050	1,139	8.5
NV	26	25	19,308	19,880	502	497	-1.0
NH	20	19	16,650	16,895	333	321	-3.6
NJ	19	17	15,368	16,471	292	280	-4.1
NM	217	232	20,065	20,366	4,354	4,725	8.5
NY	701	701	16,762	17,175	11,750	12,040	2.5
NC	75	73	16,680	16,658	1,251	1,216	-2.8
ND	51	49	13,843	14,061	706	689	-2.4
OH	264	260	16,705	17,096	4,410	4,445	0.8
OK	92	92	13,435	13,576	1,236	1,249	1.1
OR	89	89	17,787	18,708	1,583	1,665	5.2
PA	623	616	17,411	17,745	10,847	10,931	0.8
RI	2.1	2.0	15,714	15,500	33	31	-6.1
SC	25	24	14,960	15,375	374	369	-1.3
SD	102	102	14,069	14,775	1,435	1,507	5.0
TN	105	97	14,295	14,608	1,501	1,417	-5.6
TX	352	345	15,923	16,290	5,605	5,620	0.3
UT	90	92	16,811	17,533	1,513	1,613	6.6
VT	161	160	16,460	16,950	2,650	2,712	2.3
VA	124	121	14,847	15,529	1,841	1,879	2.1
WA	248	247	21,476	22,409	5,326	5,535	3.9
WV	18	18	15,444	15,278	278	275	-1.1
WI	1,369	1,365	16,685	16,902	22,842	23,071	1.0
WY	6.1	6.0	13,082	13,300	79.8	79.8	---
U.S. 3/	9,154	9,156	17,189	17,771	157,348	162,711	3.4

1/ Average number during year, excluding heifers not yet fresh. 2/ Excludes milk sucked by calves. 3/ Will not add due to rounding.

SOURCE: "Milk Production," Da 1-1 (2-00), Agricultural Statistics Board, National Agricultural Statistics Service, U.S. Department of Agriculture.

Federal Milk Order Advance Prices Highlights, March 2000

Class I Base Price. Under the new Federal milk order reform pricing system, the Class I base price for March 2000 is \$10.84 per cwt. This price is derived from the advanced Class IV skim milk pricing factor of \$7.71 and the advanced butterfat pricing factor of \$0.9713. Class I differentials specific to each order are added to the base price to determine the Class I price. **Class II Price Information.** The advanced Class IV skim milk pricing factor is \$7.71. Thus, the Class II skim milk price for March is \$8.41 per cwt., and the Class II nonfat solids price is \$0.9344. **Product Price Averages.** The two-week product price averages for March are; butter \$0.9105, nonfat dry milk \$1.0104, cheese \$1.1084, and dry whey \$0.1800.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <u>1/</u> <u>2/</u>				
Federal Milk Order Marketing Area <u>3/</u>	Order Number	March 2000		
		Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		\$ per cwt.	\$ per cwt.	\$ per pound
Northeast (Boston) <u>4/</u>	001	14.09	10.96	1.0038
Appalachian (Charlotte) <u>5/</u>	005	13.94	10.81	1.0023
Southeast (Atlanta) <u>6/</u>	007	13.94	10.81	1.0023
Florida (Tampa) <u>7/</u>	006	14.84	11.71	1.0113
Mideast (Cleveland) <u>8/</u>	033	12.84	9.71	0.9913
Upper Midwest (Chicago) <u>9/</u>	030	12.64	9.51	0.9893
Central (Kansas City) <u>10/</u>	032	12.84	9.71	0.9913
Southwest (Dallas) <u>11/</u>	126	13.84	10.71	1.0013
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	13.19	10.06	0.9948
Western (Salt Lake City) <u>13/</u>	135	12.74	9.61	0.9903
Pacific Northwest (Seattle) <u>14/</u>	124	12.74	9.61	0.9903

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. 2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. 3/ Names in parentheses are principal pricing points of markets. 4/ Class I prices at other points are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25. 5/ Class I prices at other points are: Knoxville, minus \$0.30 and Louisville, minus \$0.90. 6/ Class I prices at other points are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90. 7/ Class I prices at other points are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30. 8/ Class I prices at other points are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. 9/ Class I prices at other points are: Milwaukee, minus 0.05; and Minneapolis, minus, \$0.10. 10/ Class I prices at other points are: Des Moines, minus 0.20; Omaha, minus 0.15; Oklahoma City, plus 0.60; St. Louis, same; and Denver plus \$0.55. 11/ Class I prices at other points are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. 12/ Class I price at Las Vegas is minus \$0.35. 13/ Class I price at Boise is minus \$0.30. 14/ Class I prices at other points are: Portland, same; and Spokane, same.

**PERCENT OF OPERATIONS WITH MILK COWS AND PERCENT OF MILK PRODUCTION, BY SIZE GROUP
OF OPERATION, SELECTED STATES, AND U.S., 1999 1/**

State	Size group of operation:												Total Operations
	1-29 Head		30-49 Head		50-99 Head		100-199 Head		200-499 Head		500+ Head		
	Operations	Milk Prod.	Operations	Milk Prod.	Operations	Milk Prod.	Operations	Milk Prod.	Operations	Milk Prod.	Operations	Milk Prod.	
	PERCENT												
AZ	48.0	0.1	---	---	4.0	0.3	4.0	0.6	8.0	4.5	36.0	94.5	250
CA	14.6	0.1	2.7	0.1	2.7	0.4	9.6	3.4	28.1	16.0	42.3	80.0	2,600
CO	70.0	1.0	2.2	1.0	5.0	2.0	7.8	7.0	8.9	22.0	6.1	67.0	900
FL	54.5	0.1	1.8	0.1	7.3	1.4	7.3	2.4	12.7	15.0	16.4	81.0	550
GA	47.1	0.5	2.3	0.5	12.9	8.0	22.4	29.0	11.8	31.0	3.5	31.0	850
ID	25.0	0.4	10.0	1.0	20.8	4.1	17.5	8.5	14.2	16.0	12.5	70.0	1,200
IL	22.3	2.7	20.5	10.0	40.9	43.0	13.6	30.0	2.5	12.0	0.2	2.3	2,200
IN	53.1	10.0	18.8	18.0	17.2	28.0	9.4	28.0	1.2	9.0	0.3	7.0	3,200
IA	25.0	4.0	27.5	16.0	35.0	40.0	10.3	24.0	2.0	11.0	0.2	5.0	4,000
KY	43.7	5.0	18.8	14.0	28.1	43.0	7.8	26.0	1.4	10.0	0.2	2.0	3,200
MD	20.9	2.2	15.5	6.3	37.3	32.0	20.9	35.0	4.5	16.0	0.9	8.5	1,100
MI	27.0	4.0	18.9	7.0	27.0	21.0	20.3	32.0	5.4	19.0	1.4	17.0	3,700
MN	16.5	4.0	35.2	18.0	36.2	38.0	8.2	16.0	3.2	16.0	0.7	8.0	9,100
MO	43.9	5.0	19.5	15.0	21.7	30.0	13.2	38.0	1.7	12.0	---	---	4,100
NM	66.0	0.1	---	---	1.0	0.1	3.0	0.6	4.0	2.2	26.0	97.0	500
NY	17.1	1.5	19.5	8.5	39.0	27.0	17.1	28.0	5.8	20.0	1.5	15.0	8,200
NC	50.0	0.4	4.5	1.6	18.0	16.0	19.0	38.0	7.0	28.0	1.5	16.0	1,000
OH	49.1	7.0	14.2	11.0	24.6	34.0	10.0	30.0	1.9	14.0	0.2	4.0	5,700
OK	65.0	3.3	6.5	4.7	13.5	17.0	12.0	34.0	2.5	14.0	0.5	27.0	2,000
OR	47.8	0.5	3.3	1.0	10.0	6.5	22.2	24.0	13.4	36.0	3.3	32.0	900
PA	20.9	3.5	33.6	23.0	34.6	39.0	8.5	20.0	2.3	12.0	0.1	2.5	11,000
SD	47.1	3.3	17.1	8.7	19.4	19.0	12.3	27.0	2.3	11.0	1.8	31.0	1,700
TN	44.4	1.4	11.1	4.6	27.8	35.0	11.1	29.0	5.0	23.0	0.6	7.0	1,800
TX	46.4	0.4	6.8	1.1	13.6	6.5	13.9	15.0	13.2	32.0	6.1	45.0	2,800
UT	31.7	1.0	6.1	2.0	23.2	12.0	21.9	23.0	13.4	35.0	3.7	27.0	820
VT	7.2	0.5	17.8	8.5	48.3	30.0	17.8	25.0	7.2	22.0	1.7	14.0	1,800
VA	35.3	2.0	8.8	3.5	28.2	27.0	20.0	37.0	7.1	25.0	0.6	5.5	1,700
WA	34.2	0.2	4.2	0.6	10.0	2.2	20.0	12.0	20.8	30.0	10.8	55.0	1,200
WI	18.2	3.0	31.3	19.0	38.2	39.0	9.1	20.0	2.8	14.0	0.4	5.0	22,000
OTHER STS	40.4	1.5	14.3	6.5	26.9	26.0	12.5	30.0	5.4	20.0	0.5	16.0	11,150
U.S.	29.8	2.0	21.5	8.5	29.7	20.9	11.8	17.9	4.9	16.9	2.3	33.8	111,220

1/ An operation is any place having one or more head of milk cows on hand at any time during the year. Percent of operations was computed by the Agricultural Marketing Service; in some cases, percents have been adjusted to sum to 100. Information reflects average distributions of various probability surveys conducted during the year but are based primarily on beginning-of-year and mid-year surveys.

SOURCE: "Milk Production," Da 1-1 (2-00), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

EDITOR'S NOTE: This table can be interpreted as follows: Farms with 1-29 milk cows in California account for 14.6 percent of all operations with milk cows in California and 0.1 percent of total milk production in California. Also, for most states, the 1-29 Head size group likely contains many operations that are not commercial dairy farms.

TOTAL COW SLAUGHTER UNDER FEDERAL INSPECTION, UNITED STATES, 1997 TO 1999
(THOUSAND HEAD)

1997			1998			1999		
Week Ending	All Cows	Dairy Cows	Week Ending	All Cows	Dairy Cows	Week Ending	All Cows	Dairy Cows
Jan 4	125.1	55.7	Jan 3	105.0	50.4	Jan 2	90.6	40.9
11	161.9	72.7	10	143.8	68.0	9	119.0	54.5
18	135.2	61.1	17	127.0	60.2	16	128.8	56.1
25	150.9	67.4	24	127.6	62.5	23	122.4	56.6
Feb 1	133.3	62.4	31	126.0	61.5	30	112.6	54.3
8	133.4	62.7	Feb 7	120.2	58.3	Feb 6	109.4	54.7
15	126.2	62.1	14	112.0	54.7	13	111.5	54.0
22	122.0	59.1	21	108.5	56.6	20	105.1	52.5
Mar 1	122.3	60.9	28	112.4	56.1	27	104.8	50.4
8	118.9	58.3	Mar 7	108.5	54.9	Mar 6	107.4	51.2
15	129.6	61.8	14	95.0	50.0	13	102.9	49.1
22	122.1	58.1	21	104.6	52.3	20	103.5	49.3
29	122.2	55.8	28	109.4	54.4	27	113.5	52.3
Apr 5	118.2	54.3	Apr 4	110.0	54.0	Apr 3	102.3	47.7
12	116.5	54.8	11	105.1	50.3	10	99.1	47.6
19	120.1	55.9	18	106.5	49.6	17	104.3	48.2
26	123.9	54.5	25	111.2	51.5	24	105.2	47.2
May 3	114.2	51.1	May 2	106.7	47.9	May 1	103.1	47.2
10	117.4	52.4	9	107.4	47.3	8	103.2	44.3
17	111.4	50.0	16	108.3	46.9	15	108.7	46.2
24	112.9	50.7	23	110.6	47.4	22	112.5	47.3
31	98.6	44.4	30	101.1	43.0	29	111.8	45.1
Jun 7	111.3	50.5	Jun 6	113.7	47.6	Jun 5	87.2	39.4
14	101.0	45.0	13	108.6	46.0	12	105.2	44.4
21	101.7	45.1	20	105.3	45.0	19	99.3	43.9
28	113.4	49.6	27	107.9	44.9	26	98.8	44.0
Jul 5	90.4	40.8	Jul 4	98.4	40.5	Jul 3	101.0	40.5
12	115.5	51.9	11	105.8	44.2	10	84.7	38.9
19	114.6	50.1	18	108.5	44.6	17	102.2	45.9
26	112.5	51.2	25	104.9	44.1	24	101.8	47.6
Aug 2	120.0	52.9	Aug 1	110.5	46.6	31	95.2	46.6
9	117.3	53.2	8	117.7	47.9	Aug 7	97.7	46.0
16	120.1	55.0	15	111.2	48.2	14	107.7	51.2
23	117.9	56.1	22	107.2	48.4	21	108.1	52.3
30	116.0	54.3	29	113.6	48.7	28	107.3	51.0
Sep 6	96.5	47.3	Sep 5	114.4	49.7	Sep 4	108.3	49.8
13	124.1	56.9	12	99.2	43.4	11	92.8	44.5
20	123.2	55.9	19	117.5	50.8	18	107.3	49.5
27	121.3	57.8	26	114.8	49.2	25	112.0	52.6
Oct 4	122.3	54.3	Oct 3	111.2	49.0	Oct 2	111.5	51.3
11	122.4	55.0	10	105.7	47.3	9	114.2	51.3
18	129.0	59.0	17	111.6	47.3	16	116.5	51.5
25	146.2	62.9	24	118.7	50.2	23	119.3	51.9
Nov 1	146.9	62.8	31	131.8	54.3	30	124.9	55.4
8	149.2	62.9	Nov 7	122.6	52.3	Nov 6	125.2	54.0
15	146.8	62.7	14	125.6	52.1	13	127.0	55.6
22	147.5	64.2	21	132.7	55.6	20	125.7	55.6
29	118.7	52.0	28	103.7	44.9	27	100.7	45.3
Dec 6	149.2	67.6	Dec 5	131.5	54.4	Dec 4	122.0	55.5
13	141.2	65.6	12	128.1	56.3	11	118.1	55.5
20	135.7	60.9	19	122.0	51.6	18	112.4	53.4
27	95.5	43.3	26	80.4	34.0	25	88.2	42.9

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, the Food Safety and Inspection Service and the National Agricultural Statistics Service, all of USDA.

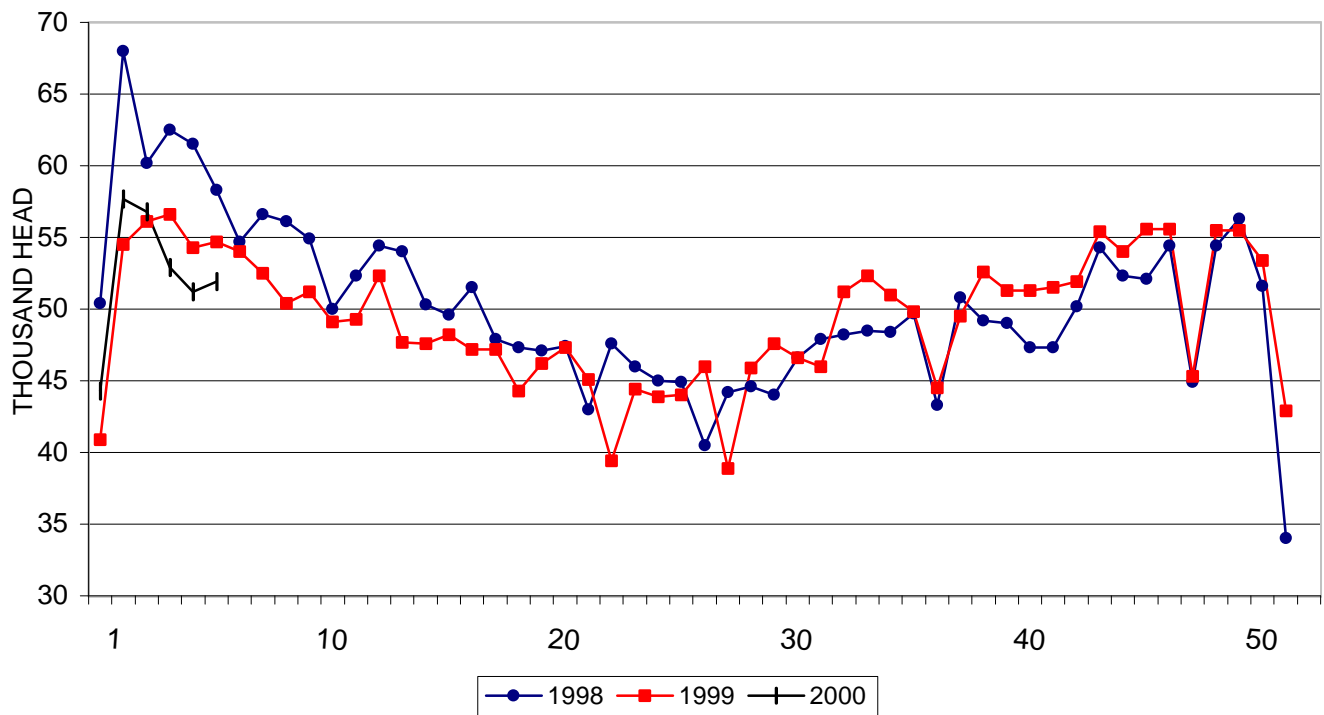
**Milk Cows: Numbers of Operations, Percent of Inventory, and Percent
of Milk Production by Size Group, United States, 1998-1999 1/**

Size Group	Operations		Percent of Inventory		Percent of Production	
	1998	1999	1998	1999	1998	1999
Head	Number		Percent		Percent	
1-29	36,200	33,110	3.5	3.1	2.3	2.0
30-49	25,485	23,925	10.5	10.1	8.9	8.5
50-99	34,017	33,090	24.2	23.2	22.4	20.9
100-199	13,908	13,115	19.3	18.4	19.2	17.9
200-499	5,155	5,425	15.5	16.3	16.8	16.9
500-999	1,500	1,600	10.0	11.0	11.1	12.6
1,000-1,999	680	700	9.6	10.0	10.9	11.9
2,000+	235	255	7.4	7.9	8.4	9.3
Total	117,180	111,220	100.0	100.0	100.0	100.0

1/ An operation is any place having one or more head of milk cows, excluding cows used to nurse calves, on hand at any time during the year. Percents reflect average distributions of various probability surveys conducted during the year but are based primarily on beginning-of-year and mid-year surveys.

Source: "Milk Production," Da 1-1 (2-00), Agricultural Statistics Board, National Agricultural Statistics Service, U.S. Department of Agriculture.

Weekly Dairy Cow Slaughter under Federal Inspection



FEDERAL MILK ORDER PRICE AND POOL SUMMARY, JANUARY

HIGHLIGHTS. The first handler reports of receipts and utilization under the new Federal milk order system have been filed and tabulated. Combined totals for the 11 consolidated orders are being released. During January, slightly more than 10.2 billion pounds of milk were received from producers. This volume of milk is about 5 percent higher than the adjusted January 1999 volume. Nearly 4 billion pounds of producer milk were used in Class I products, 1.6 percent higher than the previous year. The all-market average Class utilization percentages were; Class I – 39, Class II – 9, Class III - 40, and Class IV - 12. The weighted average statistical uniform price (blend price under old pricing system) was \$11.67 per cwt., \$0.19 less than last month, and \$5.80 less than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF JANUARY 2000										
FEDERAL MILK ORDER MARKETING AREA <u>1/</u>	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE <u>3/</u>
		TOTAL	CHANGE FROM PREV. YEAR <u>2/</u>	TOTAL	CHANGE FROM PREV. YEAR <u>2/</u>	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	2,145.7	3.0	905.5	1.1	42	15	27	16	12.35
Appalachian (Charlotte)	005	506.0	2.5	385.9	0.2	76	10	3	10	13.32
Southeast (Atlanta)	007	680.2	21.3	426.0	14.0	63	8	16	13	12.82
Florida (Tampa)	006	255.5	-1.9	224.8	0.2	88	6	3	3	14.37
Mideast (Cleveland)	033	1,123.7	2.2	584.0	0	52	15	23	10	11.62
Upper Midwest (Chicago)	030	2,432.6	2.8	351.5	-5.4	14	3	81	2	10.48
Central (Kansas City)	032	1,103.4	13.8	411.7	9.3	37	9	41	13	11.23
Southwest (Dallas)	126	805.1	6.9	339.4	0.7	42	9	32	17	12.01
Arizona-Las Vegas (Phoenix)	131	269.1	11.5	79.0	-8.4	29	3	37	30	11.25
Western (Salt Lake City)	135	322.6	-4.3	83.9	-8.9	26	10	43	21	11.11
Pacific Northwest (Seattle)	124	581.2	2.1	173.7	-1.1	30	6	32	31	11.11
ALL MARKET AVERAGE OR TOTAL		10,225.0	5.0	3,965.6	1.6	39	9	40	12	11.67

1/ Names in parentheses are principal pricing points of markets.

2/ Previous year figures are the simple summation of the data for the orders that were consolidated. For those orders that also include partial marketing area changes or the addition of unregulated area, the figures for the previous year were adjusted for these changes; in some cases these adjustments are based on estimated data. No adjustments to previous year figures were made for handler regulation shifts that result from other than marketing area changes.

3/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF FEBRUARY 21 - 25, 2000			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/99	SAME PERIOD LAST YEAR	PERIOD ENDING 02/18/00	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	10,360,185	1,851,659	8,508,526	124,846,826	12,714,993	-0-	-0-
Fortified	-0-	-0-	-0-	5,313,347	-0-	-0-	-0-
TOTAL	10,360,185	1,851,659	8,508,526	130,160,173	12,714,993	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF FEBRUARY 21 - 25, 2000 =	1.9	99.0	COMPARABLE WEEK IN 1999 =	1.5	78.5
CUMULATIVE SINCE OCTOBER 1, 1999 =	28.6	1,515.1	CUMULATIVE SAME PERIOD LAST YEAR =	2.8	148.0
CUMULATIVE JANUARY 1 - FEBRUARY 25, 2000 =	17.4	921.9	COMPARABLE CALENDAR YEAR 1999 =	2.8	146.8

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF FEBRUARY 21 - 25, 2000 (POUNDS)

	BUTTER		CHEESE		NONFAT DRY MILK	
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS
MI WEST	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/99 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99
MI WEST	-0-	-0-	-0-	-0-	10,719,571	-0-	8.2	0.0
WEST	-0-	-0-	-0-	-0-	119,352,418	12,714,993	91.7	100.0
EAST	-0-	-0-	-0-	-0-	88,184	-0-	0.1	0.0
TOTAL	-0-	-0-	-0-	-0-	130,160,173	12,714,993	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 2000

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 & 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925

NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 02/05/00 & Comparable Week 1999 1/ 2/

	Regions*										U. S. TOTAL	% DAIRY OF ALL
	1	2	3	4	5	6	7	8	9	10	WEEK : SINCE JAN 1	WEEK : SINCE JAN 1
2000-Dairy cows HD (000)	0.3	1.0	6.4	5.1	19.6	2.5	1.2	0.7	12.0	3.4	51.9	314.8
1999-Dairy cows HD (000)	0.3	1.0	6.3	6.3	20.7	2.5	3.1	0.7	10.5	3.1	54.7	317.1
2000-All cows HD (000)	0.3	1.2	9.2	13.1	28.4	10.9	14.1	4.6	13.5	7.3	102.5	639.4
1999-All cows HD (000)	0.3	1.1	8.7	15.4	29.2	13.0	18.6	4.1	12.0	7.1	109.4	682.8

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

FEDERAL MILK ORDER CLASS PRICES FOR 2000 (3.5% BF)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Class I 1/	10.90	10.71	10.84									
Class II	11.43											
Class III	10.05											
Class IV	10.73											

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/fmor_announce.htm